

Message Text

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FOLLOWING TEL SENT ACTION SECSTATE INFO USDOC, MUNICH FROM
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SUBJECT: BULGARIA'S FIRST QUARTER ECONOMIC PERFORMANCE

REF: SOFIA 0019

1. SUMMARY. STATISTICS OF FIRST QUARTER ECONOMIC PERFORMANCE
PUBLISHED IN RABOTNICHESKO DELO ON APRIL 27 INDICATE THAT
BULGARIAN ECONOMY IS CONTINUING MODERATE GROWTH RATES
POSTED OVER THE PAST SEVERAL YEARS. INDUSTRIAL PRODUCTION
ROSE 6.7 PER CENT OVER FIRST QUARTER LAST YEAR, AND LABOR
PRODUCTIVITY WAS UP 7.1 PER CENT. HOWEVER, CONSTRUCTION
(UP 4.7 PER CENT) FAILED TO MEET PLAN BY 3.4 PER CENT.
TRANSPORTATION AND COMMUNICATIONS SECTORS TURNED IN MIXED
RESULTS. FOREIGN TRADE CONTINUED TO BE A BRIGHT SPOT IN THE
ECONOMY WITH 10.1 PER CENT INCREASE OVER FIRST QUARTER
LAST YEAR. INTERESTINGLY THE ONLY AGRICULTURAL DATA PUBLISHED
RELATED TO ANIMAL HUSBANDRY. END SUMMARY.

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2. SECTOR BY SECTOR DATA FOLLOWS. ALL PERCENTAGE CHANGES RELATE
FIRST QUARTER OF 1977 TO FIRST QUARTER OF 1976.

3. HEAVY INDUSTRY: INDUSTRIAL PRODUCTION WAS OVERFULFILLED BY
108 MILLION LEVA. PRODUCTION INCREASED 6.7 PER CENT. ALL
PRINCIPLE COMPLEXES, MINISTRIES, DEPARTMENTS AND OKRUGS REPORTEDLY

OVERFULFILLED THEIR STATE PLANS. THE FERROUS METALLURGY BRANCH INCREASED PRODUCTION 12.6 PER CENT, MACHINEBUILDING AND METALLURGY BRANCHES INCREASED 11.6 PER CENT AND CHEMICAL AND RUBBER INDUSTRY UPPED PRODUCTION BY 9.6 PER CENT.

4. PRODUCT LINES TURNING IN PARTICULARLY GOOD RESULTS WERE FERRO-ALLOYS (UP 28.9 PER CENT), DRILLING MACHINES (UP 34.9 PER CENT), MOTOR TRUCKS (UP 17.1 PER CENT), POWER TRANSFORMERS (UP 33.1 PER CENT), EXTERNAL MEMORY MAGNETIC DISCS (UP 29.6 PER CENT), ELECTRONIC CALCULATORS (UP 97.0 PER CENT) AND CARDBOARD (UP 11.8 PER CENT). FIRST QUARTER PRODUCTION PLANS WERE NOT FULFILLED FOR CERTAIN (UNNAMED) VARIETIES OF ROLLED FERROUS METALS AND UNSPECIFIED PRODUCTS OF MACHINEBUILDING AND METALLURGY INDUSTRIES.

5. LIGHT INDUSTRY: GROWTH RATES IN THIS SECTOR AS USUAL CONTINUED TO LAG BEHIND THOSE OF HEAVY INDUSTRY. THE TEXTILE INDUSTRY INCREASED PRODUCTION BY 5 PER CENT AND LEATHER, FUR AND SHOE INDUSTRY BOOSTED OUTPUT BY 8 PER CENT. FOOD, WINE, AND TOBACCO INDUSTRY INCREASED OUTPUT BY ONLY 4.1 PER CENT. SERVICES TO PUBLIC INCREASED 6.8 PER CENT. PRODUCTION OF MEAT, MEAT PRODUCTS, AND CHEESES WAS REPORTED UP, BUT NO FIGURES WERE GIVEN.

6. LABOR PRODUCTIVITY IN LIGHT AND HEAVY INDUSTRY REPORTEDLY INCREASED 7.1 PER CENT. AS RESULT OF IMPROVED LABOR PRODUCTIVITY AND ECONOMIES OF RAW MATERIALS, FUELS, AND ENERGY, PRIME COST OF INDUSTRIAL PRODUCTION WAS REDUCED BY 60 MILLION LEVA. HOWEVER, CERTAIN (UNNAMED) MINISTRIES AND DEPARTMENTS WERE MILDLY CRITICIZED FOR NOT FULFILLING PLAN ON COST AND PROFIT BECAUSE OF OVER EXPENDITURES ON PRIMARY AND RAW MATERIALS, INCLUDING ENERGY. UNCLASSIFIED

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7. CONSTRUCTION AND CAPITAL INVESTMENTS: CONSTRUCTION ORGANIZATIONS COMPLETED INSTALLATIONS VALUED AT 472 MILLION LEVA, 4.7 PER CENT INCREASE OVER THE FIRST QUARTER OF 1976, BUT STATE PLAN ONCE AGAIN WAS NOT FULFILLED. NEW FACILITIES COMMISSIONED WERE THE PARTICLE BOARD PLANT AT WOOD PROCESSING COMBINE IN SILISTRA, THIRD STAGE OF THE EXPANSION OF POLYAMIDE FIBRE PLANT AT VIDIN, AND HYDROELECTRIC POWER STATION AT BELMEKEN. SEVERAL UNSPECIFIED CONSTRUCTION PROJECTS WERE ALLOWED TO LAG. STATE AND COOPERATIVE HOUSING CONSTRUCTION TOTALLED 82 MILLION LEVA, A 3.5 PER CENT INCREASE, BUT STILL 5.8 PER CENT BELOW PLAN. 8,281 NEW FLATS WERE BUILT. CAPITAL INVESTMENT TOTALLED 762 MILLION LEVA, OF WHICH 391 MILLION LEVA (51 PER CENT) WAS FOR MODERNIZATION, RECONSTRUCTION, AND EXPANSION OF EXISTING FACILITIES.

8. ANIMAL HUSBANDRY: DEVELOPMENT OF ANIMAL HUSBANDRY ON STATE FARMS REPORTEDLY IMPROVED OVER THE FIRST QUARTER LAST YEAR. THE NUMBER OF CATTLE INCREASED BY 4.4 PER CENT AND POULTRY INCREASED BY 7.7 PER CENT. HOWEVER, PIGS AND SHEEP INCREASED BY

ONLY 0.6 AND 0.3 PER CENT RESPECTIVELY. AS A RESULT OF INCREASED STOCKS AND GREATER PRODUCTIVITY, MILK PRODUCTION INCREASED BY 23.5 MILLION LITERS (7.9 PER CENT) AND EGG PRODUCTION GREW BY 20 MILLION EGGS (8.8 PER CENT).

9. TRANSPORT: TRANSPORTATION CONTINUED TO POST GOOD GAINS. DOMESTIC MOTOR FREIGHT HAULAGE INCREASED BY 11.4 PER CENT AND WATER TRANSPORT BY 11.1 PER CENT. AIR TRANSPORT CARRIED 7.8 PER CENT MORE PASSENGERS AND 7.2 PER CENT MORE LOADS. TRANSPORTATION FOR GENERAL USE INCREASED 6.9 PER CENT BUT DID NOT MEET PLANNED FIGURES.

10. COMMUNICATIONS: 19,335 NEW TELEPHONES (13,794 OF WHICH ARE IN HOMES), 49 NEW TELEX POSTS, 6 NEW RADIO TRANSMITTING STATIONS, ONE NEW TELEVISION STATION, 4 TELEVISION RELAY TRANSMITTERS, AND 2 NEW PTT STATIONS WERE OPENED DURING FIRST QUARTER OF 1977. INCOME FROM COMMUNICATIONS SERVICES INCREASED 6.0 PER CENT BUT DID NOT UNCLASSIFIED

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FULFILL PLAN PROJECTIONS.

11. FOREIGN TRADE: FOREIGN TRADE CONTINUED TO BE A STRONG SECTOR OF THE BULGARIAN ECONOMY. TURNOVER ROSE 10.1 PER CENT. 82 PER CENT OF THIS TRADE WAS WITH OTHER COMMUNIST COUNTRIES; THE SOVIET UNION ALONE ACCOUNTED FOR OVER 57 PER CENT. EXPORTS INCREASED 11.0 PER CENT AND PLAN WAS OVERFULFILLED. THE EXPORT OF MACHINES AND EQUIPMENT FOR PRODUCTION INCREASED 13.3 PER CENT AND ACCOUNTED FOR 43.3 PER CENT OF TOTAL EXPORTS IN FIRST QUARTER COMPARED WITH 42.5 PER CENT LAST YEAR. THE EXPORT OF WOOD PROCESSING MACHINES, CUTTING MACHINES, ELECTRIC MOTORS, TELEPHONE RELAYS, AUTOMATIC TELEPHONE EXCHANGES, BEARINGS, AND SHIPS AND SHIPS' EQUIPMENT REPORTEDLY INCREASED. NO INFORMATION WAS GIVEN ON IMPORTS.

12. INTERNAL TRADE. THE STATE PLAN FOR RETAIL TRADE WAS FULFILLED 100.1 PER CENT. RETAIL TRADE TURNOVER GREW (IN CONSTANT PRICES) BY 2.2 PER CENT (2.5 PER CENT IN COMMERCIAL SECTOR BUT ONLY 0.9 PER CENT IN PUBLIC SECTOR). THE ARTICLE NOTED THAT DEMAND FOR HIGHER QUALITY AND LUXURY GOODS WAS UP, BUT IT ALSO NOTED THAT CERTAIN GOODS WERE NOT SUPPLIED BY PRODUCERS. FELDMAN UNQUOTE VANCE

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